

## Message Text

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ACTION ARA-10

INFO OCT-01 EA-07 ISO-00 EB-07 COME-00 GSA-01 INT-05 FEA-01

H-02 L-03 TRSE-00 OMB-01 CIAE-00 DODE-00 INR-07

NSAE-00 PA-01 USIA-06 PRS-01 SP-02 SS-15 NSC-05 /075 W

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R 301955Z AUG 76

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 2151

INFO AMEMBASSY KUALA LUMPUR

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E.O. 11652: N/A

TAGS: EMIN, BL

SUBJECT: BOLIVIAN PRESS AND PRESIDENT

BANZER STATEMENTS ON TIN

1. ON AUGUST 26 MAJOR LA PAZ DAILIES EL DIARIO AND PRESENCIA CARRIED HEADLINES AND SUPPORTING ARTICLES GIVING OBJECTIVE AND FAVORABLE ANALYSIS OF USG POLICY CONCERNING GSA TIN SALES. ARTICLES EXPLAINED LEGISLATIVE PROCESS THROUGH WHICH TIN DISPOSAL LEGISLATION MUST TRAVEL AND REQUIREMENT OF GSA TO CONSULT ON PLANNED SALES PROGRAMS. ARTICLES ALSO EXPLAINED GSA DOES NOT HAVE POLICY OF SELLING ALL 28,000 MT ON INTERNATIONAL TIN MARKET AT ONE TIME. THESE ARTICLES SERVED AS COUNTER BALANCE TO ARTICLES THAT HAD APPEARED IN BOLIVIAN PRESS OVER PREVIOUS FIVE DAYS SPECULATING ON IMMINENCE OF STOCKPILE DISPOSAL LEGISLATION AND DAMAGE TO BOLIVIAN ECONOMY THAT GSA SALES WOULD HAVE. AUGUST 26 ARTICLES WERE BASED ON OFF-THE-RECORD BACKGROUND BRIEFING GIVEN TO EL DIARIO AND PRESENCIA REPORTERS BY MINERALS ATTACHE AND PAO.

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2. ON SUNDAY AUGUST 29 ALL NEWSPAPERS CARRIED REPORTS OF AN INTERVIEW WITH PRESIDENT BANZER. DURING INTERVIEW BANZER WAS ASKED ABOUT HIS GOVERNMENT'S EXPECTATIONS CONCERNING THE AMERICAN ELECTIONS AND A POSSIBLE NEW OCCUPANT IN THE WHITE HOUSE. BANZER REPLIED THAT WHOEVER THE OCCUPANT WOULD BE HE HOPED FOR UNDERSTANDING OF LATIN AMERICA'S PROBLEMS AND ESPECIALLY BOLIVIA'S. HE ADDED THAT HIS GOVERNMENT HOPED THAT SALES FROM THE STRATEGIC STOCKPILE BE REDUCED OR SUSPENDED AND HE THEN SAID GOB ONLY HOPES FOR FAIR PRICES FOR ITS RAW MATERIALS.

3. REPORTERS THEN ASKED ABOUT REPORTED DENUNCIATION BY A U.S. SENATOR OF A PACT BETWEEN MALAYSIA AND BOLIVIA THAT WOULD DAMAGE THE U.S. BY SEEKING TO CONTROL TIN PRICES. THE PRESIDENT REPLIED THAT HE HAD READ THE REPORT IN BOLIVIAN PRESS, QUOTE BUT THE TRUTH IS THAT WE HAVE NOT FORMED ANY FRONT UNQUOTE. IN RESPONSE TO ANOTHER QUESTION HE SAID GOB IS STUDYING THE POSSIBILITY OF OPENING AN EMBASSY IN KUALA LUMPUR.

4. COMMENT: SINCE ARTICLES OF AUGUST 26 THERE HAVE BEEN NO MORE ATTACKS OR SPECULATIONS ABOUT PENDING U.S. STOCKPILE LEGISLATION. EXCEPT FOR BRIEF MENTION OF ALLEGED U.S. SENATORIAL COMMENT ABOUT A BOLIVIAN-MALAYSIAN PACT, THERE HAS BEEN LITTLE MENTION OF U.S. SENATE HEARINGS ON RATIFICATION OF BOLIVIAN'S SENSITIVITY TO TIN PRICES AND GSA SALES IT IS WORTH PAINTING OUT THAT IMPORTANT PART OF FINANCING OF FIVE YEAR PLAN 1976-80 DEPENDS ON FOREIGN FINANCING. BOLIVIAN'S CREDIT IN INTERNATIONAL MONEY MARKETS HAS BEEN EXCELLENT BUT CONTINUED CREDIT WORTHINESS THROUGH COMING PERIOD WHEN DEBT SERVICE WILL LIMITED OFFICIAL USE

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RISE DUE TO REPAYMENTS WILL DEPEND ON BOLIVIA'S EXPORT PERFORMANCE AND THUS IMPORTANTLY ON VALUE OF TIN EXPORTS. EMBASSY WILL AIR POUCH BALANCE OF PAYMENTS ANALYSIS AND PROJECTIONS SOON. STEDMAN

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## Message Attributes

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**TAGS:** EMIN, BL, (BANZER SUAREZ, HUGO)  
**To:** STATE  
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